

HOUSE BILL 1810

By Pruitt

AN ACT to amend Tennessee Code Annotated, Title 7,
Chapter 4, Part 1, relative to the tourist
accommodation tax and metropolitan
governments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-4-110, is amended by deleting it in its entirety and by substituting instead the following language:

Section 7-4-110.

(a) Until the metropolitan council in a county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census approves an ordinance to impose an additional one percent (1%) increase to the privilege tax authorized pursuant this act, the proceeds from the tax authorized to be levied pursuant to this chapter shall be retained by the metropolitan government and distributed as follows:

(1) One-third (1/3) of the proceeds of the tax authorized to be levied in § 7-4-102(a)(1) and the proceeds of the tax authorized to be levied in § 7-4-102(a)(2) shall be used for the direct promotion of tourism;

(2) One-third (1/3) of the proceeds of the tax authorized to be levied in § 7-4-102(a)(1) and the proceeds of the tax authorized to be levied in § 7-4-102(b) shall be placed in a reserve fund for the eventual replacement of the convention center in existence on the effective date of this act; and

(3) One third (1/3) of the proceeds of the tax authorized to be levied in § 7-4-102(a)(1) shall be deposited in the general fund.

(b) When the metropolitan council in a county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census approves an ordinance to impose an additional one percent (1%) increase to the privilege tax authorized pursuant to this act, the proceeds from the tax authorized to be levied pursuant to this chapter shall be retained by the metropolitan government and distributed as follows:

(1) One-third ($1/3$) of the proceeds in its entirety shall be used for the direct promotion of tourism;

(2) One-half ($1/2$) of the proceeds in its entirety shall be maintained in a reserve fund to be used exclusively for the purpose of modifying, constructing, financing and operating such a convention center; and

(3) One-sixth ($1/6$) of the proceeds shall be deposited in the general fund of the metropolitan government.

(c) Proceeds from this tax may not be used to provide a subsidy in any form to any hotel or motel.

(d) If the total tax collections received pursuant to this section and dedicated to the purposes contained in subsections (a) and (b) exceed the amounts necessary to fund the contracts thereunder, the excess shall be placed in a reserve which shall be expended only for the direct promotion of tourism.

SECTION 2. Tennessee Code Annotated, Section 7-4-102(b), is amended by designating the existing subsection as subsection (b)(1) and by deleting the word "There" and substituting instead the following language:

Until the metropolitan council in a county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000)

according to the 2000 federal census or any subsequent federal census approves an ordinance to impose an additional one percent (1%) increase to the privilege tax authorized pursuant to this subdivision in accordance with subdivision (b)(2), there

SECTION 3. Tennessee Code Annotated, Section 7-4-102(b), is further amended by adding the following language to be designated as subsection (b)(2)

(b)(2) The metropolitan council in a county having a metropolitan form of government which has a population in excess of five hundred thousand (500,000) according to the 2000 federal census or any subsequent federal census is hereby authorized to impose an additional one percent (1%) increase to the privilege tax authorized pursuant subsection (b)(1); such increase shall be deposited into a metropolitan government fund entitled "The Convention Center Fund" and shall be used for the purpose of paying costs incurred in modification or construction of a publicly owned convention center in excess of four hundred million dollars (\$400,000,000) in costs located within the territory of the metropolitan government. Such tax so imposed is a privilege tax upon the transient occupying the room of any hotel located within the territory of the metropolitan government. Such ordinance shall include provisions to reflect the intent and effect of this subsection (b)(2).

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.